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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 000387

SIPDIS

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TAGS: PREL PTER IN PK AF

SUBJECT: MORE ON FEB 25 INDO-PAK TALKS: "NO BREAKDOWN BUT NO BREAKTHROUGH"

REF: NEW DELHI 358

Classified By: Political Counselor Uzra Zeya. Reason: 1.4 (b,d).

¶11. (U) Summary: Foreign Minister Nirupama Rao told the Ambassador on February 26 that February 25 talks with her Pakistani counterpart Salman Bashir were a "good first step" but that further Pakistani progress on terrorism is needed before the GOI will commit to further talks. Rao described the February 26 terrorist attack in Kabul that killed four GOI personnel as a complicating factor. She cautioned that Pakistan may try to leverage a resumption of the Composite Dialogue, adding that India is not ready for this and wants to first "lighten things up" through modest steps on humanitarian issues. The Pakistan Embassy Political Counselor told us the talks produced "no breakdown but no breakthrough" and that the GOI had rebuffed Pakistan's proposal to "pick up the threads of the eight Composite Dialogue topics where we had left off" at a senior level with a counter-proposal to hold discussion of such topics at a "lower level." PM Singh and his Pakistani counterpart agreed last July in Sharm al-Sheikh that their respective Foreign Secretaries and Foreign Ministers would meet periodically to discuss a full range of issues, and the February 25 meeting in New Delhi can be viewed as a cautious step in reactivating this process. While momentum for further talks could be stymied by any number of factors, we think it likely that Foreign Secretary Rao will visit Islamabad at some point in the coming months to explore whether the two countries can, as she put it, "build an environment of trust and confidence." End Summary.

FS Rao: Good Start, But Building Trust Takes Time

¶12. (C) Providing a read-out of talks to the Ambassador on February 26, Rao admitted the GOI had deliberately lowered public expectations in the run-up to the talks because it sensed the Pakistanis would arrive with a narrow agenda and it "would be a bushel full of thorns." The Ambassador congratulated Rao for a successful round of talks and stressed high-level USG support for dialogue. Rao repeatedly characterized the talks as a "good first step" and "a good start," adding that the GOI had "opened a window." Among other topics, the parties discussed "small measures" and humanitarian issues such as travel, transit, and bus transportation across the Line of Control. She said they also talked about possible visits to India by the Pakistani

Elections Commissioner and railways officials. She cautioned that Islamabad may try to link all of these topics to resumption of the Composite Dialogue, but the GOI is not ready for such resumption and wishes to first "lighten things up" through modest steps on humanitarian issues.

¶ 13. (C) She reported that Foreign Minister Krishna had also stressed patience in slowly moving the process forward in his February 26 meeting with the Bashir delegation. In that meeting, she said the Pakistanis stressed their appreciation of PM Singh's commitment to peace. She said the Pakistanis had raised but did not dwell on Kashmir and water issues during their February 25 meeting with NSA Menon. In reply to the Ambassador's question of political support for PM Singh's initiative to resume talks, she said he currently enjoys solid Congress party backing but faces certain criticism from the BJP.

¶ 14. (C) In answer to the Ambassador's question about whether she would accept Bashir's offer of future talks in Islamabad, Rao responded that the GOI needs to see more progress from Pakistan on terrorism issues. Pressed for more details on what progress is needed, she mentioned the fatal February 26 attack on Indians in Kabul which killed four GOI personnel and left some seven Indians missing and noted that the perpetrators could be from among "the usual suspects" of Pakistani jihadis, the LeT, or the Taliban. Rao noted that, with the deaths in Kabul, today was "a very bad day for the GOI," and Indian public opinion remained "inflamed" regarding Pakistan-linked terror against India. Stating that the two sides need to continue to build trust and confidence, she

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said Pakistan needs to "show a commitment" to prosecuting Mumbai suspects. She confided that the GOI is concerned that the Pakistani position is "hardening." In a possible reference to FM Qureshi, Rao added that Pakistan officials also need to tone down unhelpful public statements. She said the GOI does not want the bilateral achievements of 2004-07 to be diluted.

Pakistan Embassy View

¶ 15. (C) Pakistani Embassy Political Counselor Zulfiqar Gardezi told us February 26 that the Pakistani delegation returned to Islamabad with the feeling that the talks did not produce either "a breakdown or breakthrough" in Indo-Pak relations. Gardezi, who was present for most of the Rao - Bashir meetings, stated that Pakistan's main point was to stress the importance of resuming the Composite Dialogue "and picking up the threads of the eight Composite Dialogue topics where we had left off" prior to the suspension of Dialogue meetings after the November 2008 Mumbai attack. Gardezi reported the GOI responded that India is not ready for resumption of the Composite Dialogue, and certainly not at a senior level: according to Gardezi, the Indians indicated that they might be amenable to future discussion of Composite Dialogue issues at a "lower level" (a gambit that, according to some press accounts, was rebuffed by the Pakistanis).

¶ 16. (C) Gardezi said Bashir raised Kashmir, water issues, and Baluchistan as major issues of Pakistani concern, but declined to provide details of the GOI response. When asked about Pakistani reaction to the GOI's apparent singular focus on terror-related issues, Gardezi asserted that Pakistan has "no problem" talking about terrorism with India, adding that "we have a few terrorism issues of our own that we want to raise with India." He noted that when Bashir met with Indian NSA Menon late February 25 afternoon, the tenor of discussion was similar to that of the Rao meeting. Gardezi characterized the Krishna meeting as a "courtesy call."

¶ 17. (C) Gardezi emphasized that the two sides had agreed to maintain contact, a line repeated by Rao and Bashir in their separate February 25 press conferences. The Pakistani

diplomat complained that some Indian media coverage of Bashir's press statement gave a falsely negative spin to some of his comments (one of our media contacts explained Bashir's comments as "Bashir saying what he needed to say to keep his job back home"). Gardezi offered no information on a delegation dinner reportedly hosted last night by the Pakistani Ambassador in which Rao is said to have attended, and reportedly included amiable and conciliatory remarks.

Comment

¶ 8. (C) While there appears to be a lingering media and chattering-class perception that USG pressure helped bring about the talks, local commentators seem to have forgotten or ignored that PM Singh and his Pakistani counterpart agreed last July in Sharm al-Sheikh that their respective Foreign Secretaries and Foreign Ministers would meet periodically to discuss a full range of issues. Five months after the last Indo-Pak ministerial encounter in New York, the February 25 meeting in New Delhi can be viewed as a cautious reactivation of the Sharm process. Indian officials did a commendable job of handling a potentially difficult meeting -- and paving the way for future meetings -- by adopting an unstructured agenda which allowed Pakistan to raise issues of concern while the GOI used statements from Home Minister Chidambaram and Rao to keep their public messaging focused firmly on terrorism. While momentum for further talks could be stymied by any number of factors -- first and foremost, a Pakistani-linked terrorist incident in India or Afghanistan -- we think it likely that Foreign Secretary Rao will visit Islamabad at some point in the coming months to explore whether the two countries can, as she put it, overcome "the trust deficit" and "build an environment of trust and confidence" through "a graduated step-by-step process."

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